



This form is to be used in conjunction with a rule review when ancillary documents are also being reviewed as part of the review process.

Ancillary documents are interpretive or policy statements that advise the public of the Department's opinions, approaches, or likely course of action. They include documents such as Excise Tax Advisories (ETAs), Property Tax Bulletins (PTBs), and Revenue Policy Memorandums (RPMs). Ancillary documents do not have the "force of law" that a rule is given under the Administrative Procedures Act (Chapter 34.05 RCW). Court decisions, Board of Tax Appeals decisions (BTA), and Washington Tax Decisions (WTDs) **are not** ancillary documents.

Reviewer: Cindy Evans Date Reviewed: August 31, 2000

Ancillary Document being reviewed
(provide number and title): ETA 324.04.194/224 Application Of Business And Occupation Tax To Royalty Income Earned Through Grant Of Patent Privileges.

Date last Issued: October 20, 1967

This document is being reviewed in conjunction
with (provide WAC number and title): WAC 458-20-194 Doing business inside and outside the state.

Purpose of the document: To educate and inform taxpayers that a patent is an intangible and the royalty income from the patent is attributable to the owner's commercial and/or legal domicile.

Is the document clearly written?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Does the document provide accurate and useful information?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

Does the document provide information not currently in the rule?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>



Review recommendation:

- A. Update
- B. Repeal
- C. Leave as is
- D. Incorporate into rule and repeal

X

Briefly explain your recommendation:

The information in this excise tax advisory is informative, explaining the tax treatment of royalty payments from patents. The department should incorporate this information into Rule 194 when it is next revised and then repeal the ETA. (It should be noted that while this ETA incorrectly states the tax rate, this has not caused difficulty.)

Manager Action:

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Accepted recommendation

Date: _____

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Returned for further review

Date: _____

Comments _____